

SELF BUILT HOMES: IDENTIFYING AN ENABLING ENVIRONMENT FOR SUSTAINABLE CONSTRUCTION

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ABSTRACT:

Assisted self-built housing is a mechanism through which households/communities are given opportunities to build their own homes with financial, technical and infrastructural assistance from a government department or other benefactor. It is an effective form of construction, because it reduces the input cost for the assisting agency, allows the construction to be done according to the household's needs, and gives valuable skills to the participating members. This makes self-built housing one of the most economically sustainable modes of affordable housing delivery. When integrated with local materials, building traditions, and skills, it also provides additional benefits to environmental sustainability.

Despite this plethora of advantages and countless international cases demonstrating its advantage, Self Built Housing has fallen out of vogue. Slum improvement or housing construction programs utilizing this mode have not been attempted through government action except where large international aid agencies like the World Bank or USAID have been involved. This form of construction and ownership needs to be enabled through two classes of intervention. The first are interventions in policy that need to be made after exploring enabling policies in other developing nations and identifying legal restrictions to self-built housing. The second is technical standards that need to be created, updated, or retired to enable the use of local materials and techniques without making compromises on the safety and longevity of the housing.

Keywords: Self build Housing, PMAY, sustainable housing eligibility, Economically weaker section, Housing schemes, Affordable housing

INTRODUCTION :

The housing shortage in India has been fast approaching the point of crisis. As of 2012, the country is facing a deficit of 18 million housesⁱ. 90 per cent ⁱⁱ of that is in the Economically Weaker Section (EWS) class of society, defined as households with an income of less than INR 100,000 annuallyⁱⁱⁱ. This shortage can be attributed to many factors, and it is difficult to pinpoint a single silver bullet that can solve the problem. Decades of experimentation have led to the development of multiple strategies in the urban realm. Affordable urban housing in India is dealt with by the Ministry of Housing and Urban Poverty Alleviation- now, the Ministry of Housing and Urban Affairs^{iv}. Since 2015, at the national level, this activity has been led by the Pradhan Mantri Aavas Yojna (PMAY), replacing the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Basic Service for Urban Poor (BSUP), Integrated Housing and Slum Development Programme (IHSDP) and the Rajiv Awas Yojana (RAY)^v. The PMAY has four components^{vi}:

1. In-situ Rehabilitation of existing slum dwellers using land as a resource through private participation
2. Credit Linked Subsidy
3. Affordable Housing in Partnership
4. Subsidy for Beneficiary-led individual house construction/enhancement.

These components form the philosophical backbone of the PMAY. And yet, they have a glaring deficit. These all require the construction of the housing projects to take place through a large private firm or contractor. There are no provisions that allow for the beneficiaries of the programs to self-construct their own houses and participate in the betterment of their communities. At a time when the county is also going through a massive skill shortage^{vii}, such opportunities for upskilling, community-led construction, and participatory development would be invaluable. Assisted Self built housing is a broad term to refer to a series of delivery mechanisms that involve the provision of direct or indirect support to people and community-driven organisations that build homes for their own residents. NGOs, Local and National Governments, and community-led organisations have all implemented self-built projects all over the world. The World Habitat Awards alone have documented 50 different^{viii} self-built housing projects.

Affordable Housing in India: What are the existing provisions?

For the purpose of this paper, we will restrict ourselves to Pradhan Mantri Awas Yojana – Housing for all (Urban) which seeks to address the issues of housing for the urban poor. PMAY was implemented in 2015 with the mission to provide affordable housing to the urban poor with the help of central assistance by 2022. This mission is being implemented through four verticals.

The first vertical of the PMAY is the "**In situ**" **Slum Redevelopment**. The purpose of this is to use the land as a resource and provide the slum dwellers with houses and thereby bringing them into the formal urban settlement. Slums, irrespective of whether they are on the land owned by Central Government, State Government, ULB or private party, should be considered for redevelopment with the objective of providing houses to all the slum dwellers on that land.

For the same, the private partner is to be selected through open bidding. At the same time, for making the redevelopment financially possible, a grant of 1 lakh per house will be given^{ix}, on average, for all the houses built for the slum dwellers in such projects. State Governments and Union Territories have the discretion to use this fund for redevelopment projects with private parties except for the slums on the private land. Since central assistance cannot be used for slums on private lands, State Governments/UTs can give additional Floor Area Ratio (FAR), Floor Space Index (FSI) or Transferable Development Rights (TDR) to the landowners.^x Also, State Government/ UT has the discretion to decide the beneficiary contribution for the projects. They also have the option to decide whether the houses constructed under this scheme will be allotted based on ownership rights or on renewable, mortgageable and inheritable leasehold rights and put reasonable restrictions on the transfer of houses.^{xi}

The second vertical of the PMAY is **credit-linked subsidy scheme**. Under this scheme, eligible urban poor would be given credit-linked subsidy on home loans for acquisition or construction of the house. The credit linked subsidy would be given for loan amounts up to 6 lakhs at 6.5% for a tenure of 15 years or tenure of the loan whichever is lower to the beneficiaries of Economically Weaker Section (EWS) and Low Income Group (LIG).^{xii} Credit will be provided for new construction or for addition to existing dwellings. Central Nodal Agencies (CNAs) which are identified by the ministry are Housing and Urban Development Corporation (HUDCO) and National Housing Bank (NHB), which will be used to channelize the subsidy to the banks and other lending institutions and will monitor the progress.

Under this scheme, preference is given to manual scavengers, women, people belonging to SC/ST/ OBCs, minorities, persons with disabilities and transgender. It is important to note that under PMAY, beneficiaries can avail benefits from only one of the components.

The third vertical of PMAY is the **Affordable Housing in Partnership (AHP)**. This component focuses on increasing availability of houses for EWS at affordable rate. States/ UTs through partnership with private sector plan affordable housing projects. Also, for each EWS house, central assistance of 1.5 lakhs would be made available. To make the houses affordable for the beneficiaries, State governments/ UTs have the power to set the upper limit on the sale price on the houses. Under this scheme as well, preference for allotment of houses is to be given to physically handicapped persons, SC, ST, OBC, minorities, women, transgender and other vulnerable sections of the society.

The fourth vertical of PMAY is the **beneficiary-led individual house construction or enhancement**. Under this scheme, families belonging to EWS will be given assistance to build new houses or enhance their existing houses. They will get the central assistance of 1.5 lakhs for the same. To avail the benefits, beneficiaries have to approach the Urban Local Bodies (ULBs) with all the necessary documents relating to the land owned by them. They must also get checked with SECC data which will confirm whether the beneficiary is eligible for construction. Once the ULBs have verified the necessary information, they will, in accordance with the city development plan, prepare a city-wide housing project for the beneficiaries and make sure that the construction of the houses happens as per the planning norms of the city. These projects also need approval by the states in SLSCM. One important thing to note here is that individual applicants will not be given assistance under this scheme.

It is the responsibility of the state/ ULBs to ensure that the beneficiaries have the finance which will be required for construction from various sources such as Govt assistance, own contribution, state government assistance. The purpose behind this is to assure that there are no half-constructed houses. The beneficiaries will get the financial assistance in 3-4 instalments on the basis of the progress of the construction.

Advocating for self-built housing. Why does it work?

Self Built housing is known by many names. It may be called ‘incremental housing’^{xiii}, ‘sites and services’, and ‘assisted self-help housing’. The core principle of it is familiar to most of us. A typical slum settlement or ‘*Basti*’ consists of a form of unorganised self-built housing. In

this primitive state, it is unsupervised, doesn't meet safety standards, is of exceedingly poor quality, and devoid of access to services like health, fire and sanitation. However, with a modicum of training, these projects can instead become not only efficient delivery mechanisms for housing but a source of livelihood and a lifelong asset to their beneficiaries. Added to that is the greater flexibility that self-built housing provides to the residents, as well as the funding organisations. And the crowning achievement is the improved match between the needs of the resident and the housing that they end up with.

The advantage of self-built housing is most evident when we look at their impacts on the EWS segment. Typically EWS housing is built for either new migrants to the city, or to resettle families that are displaced by the demolition of a slum that needs to be cleared. In other cases, slum-up-gradation or redevelopment is taking place, and the housing is constructed as a part of the redevelopment or as a transit accommodation. In all these cases, the focus is 'housing' and not 'habitat'^{xiv}. The mere provision of a place to live is not going to be sufficient to sustainably settle a family. Often these housing projects are constructed far away from employment opportunities, without regard for the needs of residents with disabilities, away from health, education, and child care services. The residents also find themselves unable to modify anything about their homes to match changing needs and without the tools, knowledge or resources required to maintain them^{xv}. These issues combined means that the delivery of mass housing for EWS families will always be a flawed solution at best. Even proponents of the mass housing delivery system agree that without simultaneous access to jobs or to public transport, not to mention other basic services, the projects are doomed to fail^{xvi}.

Self-built housing doesn't suffer from these issues because of its inherently participatory approach. A successful self-built project has the following life cycle:

1. Beneficiaries of the project are identified and collected. When possible, they are organised into a community-based organisation where they can communicate and bargain as a group.
2. The community is involved in the collection of basic information, the rationalisation and organisation of plots and areas.
3. A basic core, consisting of a minimal standard of construction as well as essential services are designed. The core is rationalised and priced to be in reach of every family in the community.

4. Members of the community work closely with a resource organisation and are involved in the construction of the service core in all the new plots of the community. Families that are not able to contribute in kind are either subsidised further or expected to contribute in another way.
5. After construction, a society is incorporated according to the local by-laws and the community is encouraged to continue building their cores further based on their needs. Because a rational plot distribution and governance mechanism have been established, these prevent further disputes, encroachment and encourage accountability.

As we can see, the community-led nature of the self-built housing project enables the creation of systems of accountability as well as a sense of ownership in the community that would not exist otherwise.

Experiments in Self Built housing in India :

Between 1977 and 1991, the World Bank-funded 27 self-built housing sites in Chennai and Mumbai alone. Sites and services schemes were even recognised in the Sixth five-year plan, as a recognition of the need of “direct public sector assistance for housing the EWS”^{xvii}. These projects were largely pilots, executed as small components of larger city development programs funded by the Bank. These sites were revisited a team in 2015^{xviii} and the visits have demonstrated that contrary to assumptions at the closure of the program, the projects have been broadly successful. 15 projects were studied across the two cities, and the authors counted the number of sites that were fully developed at the time of the study. In both Chennai and Mumbai, the authors found over 90% occupancy, with several smaller projects boasting 100% build-out. Moreover, many houses had expanded to multiple floors which were being used by extended family and by tenants. This natural growth led to the number of beneficiary households to expand to 175-200% of initial project targets. Over a 20-year time frame, this is impressive growth, not even accounting for the fact that it is entirely user investment. Moreover, all these projects were financially solvent at project close. The Mumbai administration estimated that the financial rate of return for the sites and services model was 42% at project close. This also led to the creation of a revolving fund of USD 320 million that could be used to fund future sites and services investment.

A study in 1995 of a sites and services scheme in Tamil Nadu also had interesting findings^{xix}. The study demonstrates that over 75% of the occupants are satisfied with the quality of their

house, as well as with the overall quality of construction. The issues that have been identified, such as dissatisfaction with the layout of their houses, are all the features that can be rectified with a modicum of supervision and technical know-how. This survey demonstrates the leaps and bounds that can be made when a technical support organisation is involved.

A case study by the organisation micro Home Solutions (LHS) drives this point home^{xx}. NHS conceptualized Design Home Solutions (DHS) as a product that combines an affordable home construction financing with customized technical and design assistance, to enable safe self-construction. The team worked with micro-finance providers, skill training organisations and material suppliers to provide a bundle consisting of loans, design consultancy services, and construction supervision. A fee, consisting of 3.5% of the loan included a) due diligence of the current structure b) provision of detailed cost estimates, c) customized layout and design, and d) assistance with construction monitoring. Without any subsidisation from the government, the lending organisation was able to give microfinance loans at rates of under 18% per annum. The pilot consisted of 12 true self help projects. This case demonstrates the power of the mechanism in action with the appropriate technical support.

CONCLUSION:

There is enough evidence from Indian cases to show that self built housing is not only a successful pilot, but that it is ripe for further expansion. The limited support for self built housing projects in the national housing mission represents not only a massive oversight, but a lost opportunity. The integration of technical support into the model would be a significant value addition for the project, overall. The barriers to self built housing come from the overly restrictive laws, construction regulations and inconsistent bye laws in different areas. Radical reforms are needed to enable this method of delivery to reach its full potential.

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